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## Expert: Houston needs more mixed-use in the suburbs

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by **Paul Takahashi** Reporter for the *Houston Business Journal*



Gadi Kaufmann is the managing director and CEO of RCLCO, a Washington, D.C.-based real... more  
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Many Houstonians — particularly Millennials and Baby Boomers — want to live in vibrant, urban neighborhoods where they can walk or bike to work, eat and play.

However, this doesn't mean they have to live inside the 610-Loop, said **Gadi Kaufmann**, the managing director and CEO of RCLCO. The national real estate consultant was in Houston recently to talk about Houston's suburban marketplace at an Urban Land Institute of Houston forum.

"We're seeing an evolution of the suburbs into suburban nodes of urban activity," Kaufmann said. "This whole region will become a collection of nodes."

Developers are re-imagining Houston as a so-called multi-nodal metropolis, where sprawling suburbs feature pockets of urban downtowns. Kaufmann pointed to The Woodlands — developed by The Woodlands Development Co., a subsidiary of The Howard Hughes Corp. (NYSE: HHC) — as a prime example of this growing trend.

Although The Woodlands began more than 40 years ago as a suburban bedroom community, the north Houston suburb today serves as the "downtown" for the north Houston region. The Woodlands boasts more than 105,000 residents and features urban amenities, such as office towers, a mixed-use shopping and dining district and luxury apartments. Today, more people commute to The Woodlands than commute out of it.

"The Woodlands is very much a major city of its own right," Kaufmann said.

Other developers are also building mixed-use districts and urban-style homes in the suburbs. In Bridgeland, Howard Hughes' second master-planned community in Houston, builders are replicating Houston's historic Heights neighborhood in the suburbs of Cypress. In Imperial Sugar Land, a Johnson Development Corp. community, developers are turning the former Imperial Sugar factory into an urban mixed-use district.

Homebuilders are jumping onto this trend as well. Luxury homebuilders like Gracepoint Homes, Sims Luxury Builders and Trendmaker Homes, are building townhomes and brownstones in suburbs like Sugar Land.

Turning Houston's sprawling suburbs into urban nodes is very difficult, Kaufmann said. This evolution requires long-term vision and planning on the part of developers. It also takes a tremendous amount of time and money to hold vacant sites for future commercial, retail and mixed-use development, he added.

"Suburbanization is inevitable because we can't expect all growth to fit inside the 610 and the Beltway," Kaufmann said. "But it can be done in a good fashion. We need to develop the suburbs right."

*Paul Takahashi covers residential and multifamily commercial real estate for the Houston Business Journal. [Follow him on Twitter for more.](#)*